

MEMO# 8957

May 30, 1997

KOREA TO BEGIN TO ALLOW FOREIGNERS TO BUY KOREAN BONDS

May 30, 1997 TO: INTERNATIONAL COMMITTEE No. 18-97 RE: KOREA TO BEGIN TO ALLOW
FOREIGNERS TO BUY KOREAN BONDS

The Korean government has announced that it will begin to open the Korean bond market to foreign investors. Effective June 2, 1997 foreigners will be permitted to purchase Korean Stock Exchange listed, non-guaranteed convertible bonds issued by large Korean listed enterprises. Total foreign purchases of these convertible bonds cannot exceed 30% of each issue, and an individual foreign investor can hold no more than 6%. Foreigners also will be permitted to purchase non-guaranteed listed bonds, with maturities of three years or more, issued by small and medium-sized Korean companies. The total foreign ownership limit for each issue of these bonds will be 50%; there will be no individual limit. Attached are a memorandum and news article describing these steps. We will keep you informed of further developments. Mary S. Podesta Associate Counsel-International Attachment

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